



## **MEREDA**

### **LEGISLATIVE AND REGULATORY WEEKLY UPDATE**

Monday, November 13, 2017

#### **LEGISLATIVE UPDATE**

##### **LEGISLATURE SUSTAINS GOVERNOR'S VETO OF MARIJUANA IMPLEMENTATION LEGISLATION**

On Monday, November 6, the Legislature met for the second day of the Special Session to take up the Governor's veto of the marijuana implementation legislation, passed during the first day of the Special Session. The Governor vetoed the measure November 3, stating in his veto letter that the implementation would put Maine in conflict with federal law, that the bill as drafted set unrealistic time lines for launching the market, would create a confusing regulatory system, and could cost more to implement than the state would generate in tax revenue. House Republicans backed the Governor's veto and ultimately the House voted 72-62, with 13 members absent, to sustain the veto of the legislation. In the meantime, the 2016 voter-approved legislation is set to become law in February 2018, following a legislative delay passed earlier this year. The Legislature could attempt to enact new implementation legislation in January or pass a new moratorium to further delay the implementation; or the initiative may become law in February without a regulatory framework.

##### **SENATOR AMY VOLK ELECTED AS NEW SENATE ASSISTANT MAJORITY LEADER**

The Senate Republican Caucus convened Monday to elect a new assistant majority leader. Senator Amy Volk of Cumberland County, who is serving her second term in the Senate after serving two terms in the House, was elected by her fellow Republican senators and will serve as the Senate Assistant Majority Leader through the remainder of the 128<sup>th</sup> Legislature.

##### **MAINE VOTES TO EXPAND MEDICAID TO THOUSANDS OF MAINERS; POTENTIAL IMPLEMENTATION HURDLES ARISE**

On Tuesday, November 7, 59% of those voting in Maine voted yes on Question 2, which asked whether Maine should take advantage of a Medicaid expansion program offered through the Affordable Care Act (ACA). The expansion, which is estimated to extend Medicaid coverage to more than 70,000 Mainers, failed five times at the Legislature before it was added to this year's ballot as a citizen-initiated referendum. Currently, 31 other states have taken advantage of the Medicaid expansion program under the ACA, which covers adults whose incomes are at or below 138% of the federal poverty level. Despite Tuesday's vote, implementing the expansion plan may prove difficult. On Wednesday morning, Governor LePage issued a statement saying that he will not implement the expansion program unless and until the Legislature can come up with the full funding amount required by the state, which some estimate is roughly \$55 million a year, without a tax increase or raiding the state's rainy day fund to cover the costs. Speaker of the House Sara Gideon has proclaimed that the people of Maine have spoken and this expansion will

be effectuated. We can expect significant debate over a supplemental budget to provide the necessary state funding when the Legislature returns in January for its Second Regular Session.

#### OTHER STATEWIDE BALLOT QUESTIONS: YORK COUNTY CASINO REJECTED; TRANSPORTATION BOND AND PENSION FUND AMENDMENT APPROVED

Mainers headed to the polls on Tuesday, November 7 to vote for local elections and municipal referenda, but the big issues at the polls this year were centered on the four statewide referendum questions. The first question on the ballot, which asked voters to approve a new casino in York Country, was soundly defeated with 83% of voters rejecting the proposal. The third question asked voters to approve a \$105 million bond to pay for statewide transportation infrastructure and systems. The bond measure passed easily, with 72% of Mainers voting in favor. Finally, Question four on the ballot proposed a constitutional amendment to the state's pension law to allow for certain changes in the amortization of pension losses. Question four was approved by 63% of voters.

#### CITIZENS GROUPS COLLECT SIGNATURES FOR NEW POTENTIAL REFERENDUM QUESTIONS

In addition to voting on the four statewide ballot initiatives on Tuesday, Mainers exiting the polls were asked to sign petitions to put two citizen-initiated questions on future ballots. One of the two petitions seeks a people's veto of the recently-passed law delaying implementation of ranked choice voting in Maine. During the Special Session last month, the Legislature voted to approve a new law that will delay the implementation of ranked choice voting in Maine until 2021 and repeal the law altogether if Maine has not passed a constitutional amendment by that time. Governor LePage did not sign the legislation but allowed it to become law without his signature. Supporters of the people's veto have until Monday, February 5, 2018 to collect 61,123 signatures in order to qualify for the June ballot. The other petition was circulated by the Maine People's Alliance. It asks Mainers to support an initiative to provide more in-home care for Maine's elderly and disabled by increasing Maine's payroll tax by 1.9% on salaries and wages over \$127,000, to be assessed on employees and employers, and by adding a 3.8% tax on non-wage income, such as stocks and bonds, over \$127,000. Supporters of the measure say that the taxes would generate roughly \$132 million annually and provide in-home care services to around 30,000 Mainers. Supporters have until late March 2019 to collect 61,123 signatures in order to have the question put on a future ballot.

If you have any questions regarding any of the above, please don't hesitate to contact MEREDA Public Policy Counsel Andrea Cianchette Maker (207) 791-1101, [amaker@pierceatwood.com](mailto:amaker@pierceatwood.com) or Elizabeth Frazier (207) 791-1155, [efrazier@pierceatwood.com](mailto:efrazier@pierceatwood.com).